In The Specification:

Please replace the originally-filed paragraph found on page 11, lines 6 through 11, with the following substitute paragraph:

Currently, a typical digital still camera may have difficulty in capturing a scene with a high dynamic range, i.e. a scene which contains very bright and very dark areas. Either the scene may be accurately reproduced in the very bright areas, and the dark areas may lose details and may ~~ppear~~ appear uniform (black), or the dark areas are accurate, and the bright areas may lose detail and may appear saturated (usually white).

Please replace the originally-filed paragraph found on page 14, lines 1 through 26, with the following substitute paragraph:

Then, for each pixel in each original subband image 516 (with the exception of lowest-frequency subband image 546), rendering manager 416 may compute an original contrast threshold m_t by utilizing the following equation:

$$m_t = \frac{k}{M_{opt}(u)}\sqrt{\frac{2}{T}\left(\frac{1}{X_O^2}+\frac{1}{X_{MAX}^2}+\frac{u^2}{N_{MAX}^2}\right)\left(\frac{1}{\eta p E}+\frac{\phi_0}{1-e^{-\left(\frac{u}{u_0}\right)^2}}\right)} \qquad (3.3)$$

where u is a spatial frequency value for a corresponding pixel and the surrounding pixels, X_0 is an object size for the captured scene expressed in

angular degrees for the human eye, N_{max} is a maximum number of cycles that a human eye can integrate, X_{max} is a maximum object size that a human eye can integrate expressed in angular degrees for the human eye, [[n]] $\underline{\eta}$ is the quantum efficiency of cones in a human eye defined as an average number of photons causing an excitation of photo-receptors divided by a number of photons entering the human eye, p is a photon conversion factor for converting light units in units for flux density of photons, and may be defined as a number of photons per unit of time per unit of angular area per unit of luminous flux per angular area of light entering the human eye, E is a retinal illuminance value for the captured scene expressed in Trolands, ϕ_0 is a spectral density of neural noise caused by statistical fluctuations in a signal transport to the human brain, u_0 is a lateral inhibition frequency limit, k is a signal-to-noise ratio of the captured scene, $M_{opt}(u)$ is an optical modulation transfer function that describes filtering of modulation by an image forming system, such as the human eye, as a function of spatial frequency, and T is an integration time of the human eye.